

TRI-BOARD MEETING – OCTOBER 21, 2013

I. Call to Order/Roll Call

Board of Selectmen Chairman Alex Vispoli reconvened the Tri-Board Meeting of the Board of Selectmen, Finance Committee and School Committee to order at 7:06 P.M. in the School Committee Room in the School Administration Building.

Present from the Board of Selectmen: Chairman Alex Vispoli-Y and Selectmen Mary Lyman-Y, Dan Kowalski-Y, Brian Major-Y and Paul Salafia-Y.

Present from the Finance Committee: Chairman S. Jon Stumpf-Y and members Joanne Marden-Y, Greg Serrao-Y, John Barry-Y, Paul Fortier-Y, Linn Anderson-Y, Margaret (Peggy) Kruse-Y and Eugenie (Janie) Moffit-Y.

Present from the School Committee: Chairman Dennis Forgue-Y and members Paula Colby-Clements-Y, Annie Gilbert-Y, Barbara L'Italien-Y.

Also present: Town Manager Reginald S. Stapczynski, Superintendent of Schools Marinel McGrath, Assistant Superintendent Paul Szymanski, Town Accountant Rod Smith, Assistant Town Manager Steve Bucuzzo and Finance Director Donna Walsh. The meeting was duly posted and cablecast live.

II. Opening Ceremonies/Moment of Silence/Pledge of Allegiance

Chairman Vispoli led the members in a Moment of Silence followed by the Pledge of Allegiance.

III. FY-2013 Year End Actuals

The Town Manager distributed a handout of the Town Accountant's financial information which had also been sent electronically. The Town Accountant reported the October 21st draft report has not changed; the audit went well with Free Cash of over \$4M and revenues are strong. He talked about the bond premium (2 phases) that goes into the fund balance reserves as required by the Department of Revenue and applied the exempt debt for Bancroft School as required.

The General Fund Revenues exceeded budget expectations by \$710,000 with \$1.8M in surplus funds some of which are a one-time occurrence. There has been no change in the expense appropriations since the October 21st report. The members discussed revenues, trends, the tax levy, onetime revenues, and recurring revenues.

Jon Stumpf recognized and thanked Rod Smith for his 32 years of service to the Town of Andover as the Town Accountant and all the members wished him well in his retirement.

IV. FY-14 Update on Assumptions

Finance Director Donna Walsh presented an update on the assumptions using preliminary numbers. She explained the report and how it is formulated which included existing debt, Free Cash levy for taxes and future debt. They are assuming a 3% increase in State Aid from Chapter 70 funds and a general municipal aid increase of 2.5%. The report showed a six year history of local receipts and average receipts. The Town Manager spoke about possibilities for new developments in Town although none are secured at this time. They are estimating projections in revenue to be 3.6% higher in 2015. No Free Cash is projected to be used for operating expenses and \$1M will be earmarked in the Budget for the OPEB liability. Funds for the landfill will come from Free Cash.

Expenditure information provided is subject to change with Retired Teachers' Health Care estimated at 8%. Health Insurance shows a zero percent increase but anticipate a 6% increase in subscribers. In 2014-2015, a 3.58% increase in Debt Service is estimated which will leave less funds available for Town and School projects and therefore recommending 1.6% of Operating Revenues be earmarked for the 2015 CIP.

V. FY-2014 Projections and Budget Timelines

The Town Manager distributed a budget timeline and stated they are looking at holding the Annual Town Meeting the first week of May and April 1st as the target for Budget information to be provided to the Finance Committee. The Town Manager's target date for releasing Budget information is February 7, 2014 and he will present the Budget to the Boards at a Tri-Board meeting on February 10th. Department budgets are to be submitted by Friday, January 3rd.

Other considerations include holding budget meetings on Saturdays and possibly scheduling Town Meeting for a Saturday to encourage more resident participation. Warrant articles should be submitted to the Town Manager by mid-November or December if at all possible.

VI. Budget Model Discussion

Finance Chairman Jon Stumpf said the Budget Model does not include water/sewer/offsets. The model is derived from State Aid, Property Taxes and Local Revenues cumulating in Available Revenues of which contracted capital appropriations, debt service, health insurance, retirement funds, OPEB funds, and CIP costs are deducted leaving the balance for the Town Departmental Operating Budgets and the School Department Appropriations.

VII. Update on Charter School

Annie Gilbert provided information on the proposed Charter School (STEAM Studio) and the potential impact it will have on future budgets. She explained the formula for expenditures for in-district students attending the Charter School that would reduce the

Town's allocation of funds from the State. The impact would be phased in over six years; the first year would be covered by the State and basically a 25% drop in State funds each following year. A reduction in students leaving AHS would not significantly decrease our expenses; we would have to look at other areas in the Budget to recover the loss in revenue and the expense would be spread across the district. The result would be a disproportionate loss of Town and School Chapter 70 funds. STEAM Studio will present their proposal to DESE at the end of the month.

The DESE has asked for use of the Memorial Hall Library on November 21st for a Public Hearing/presentation. The decision on whether or not to approve the Charter School proposal rests with the DESE and its Board.

VIII. Adjournment

At 9:02P.M. On a motion by Selectman Lyman and seconded by Selectman Kowalski, the Board of Selectmen voted 5-0 to adjourn the Tri-Board Meeting and move to the Special Board of Selectmen's Meeting. Roll call: Alex Vispoli-Y, Mary Lyman-Y, Dan Kowalski-Y, Brian Major-Y, and Paul Salafia-Y.

On a motion by Paula Colby-Clements and seconded by Annie Gilbert, the School Committee voted 4-0 to adjourn from the Tri-Board Meeting. Roll call: Barbara L'Italian - Y, Annie Gilbert-Y, Paula Colby-Clements-Y, and Dennis Fergie-Y.

On a motion by Greg Serrao and seconded by Eugenie (Janie) Moffitt, the Finance Committee voted to adjourn the Triboard Meeting: Joanne Marden-Y, John Barry-Y, Margaret (Peggy) Kruse-Y, Paul Fortier-Y, Linn Anderson-Y, Greg Serrao-Y, Eugenie (Janie) Moffitt-Y, and S. Jon Stumpf-Y.

Respectfully submitted,

Dee DeLorenzo
Recording Secretary